

## Coastal Organics Cooperative, Inc.

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### Minutes of the Board of Directors

10 December 2013  
Huntley House  
Point Arena, CA

### Call to order at 4:15 PM

#### Attendance:

Present: Phil Clark, Deb Heatherstone, Patricia Schwindt, Mike Sakellaridis,  
Molly Morgan, Rick Beach, Dan Wormhoudt (arrived late)

Members: None

#### Approval of Previous Minutes

7 November 2013

Several copyediting revisions were incorporated. The board intends to post minutes on the co-op website.

Motion to approve [Molly, Mike] approved unanimously.

#### Privilege of the Floor

None

#### Treasurer's Report (Patricia Schwindt)

##### Quickbooks

Joyce and Patricia met and established a new procedure to create a Quickbooks accountants' copy every week to make adjustments.

##### Inventory

Observed that inventory in November went way down. Discussion revealed that sometimes inventory gets depleted faster than what sales. Requested a plan for year-end inventory from Mike.

##### Gross Profit and Positive Cash Balance

The co-op is doing a lot better than previous years in both achieving gross profit and maintaining a positive cash balance. Accounts payable has dropped substantially from spring and summer. Expect to manage to the end of the year to maintain these trends.

##### Long Term Debts

Both of our development loans have agreed to defer principal payments for three months of December, January and February. This will improve cash flow by

about \$1,000 per month for those three months. All of our long-term debts are due in the fall of 2014. The Treasurer has begun investigating opportunities for refinancing.

### **Strategy for January, our lean months**

The Board discussed ways to get more people in the store for our lean months. Mike to research and pursue several ideas, such as waffles and hot breakfast items.

## **General Manager's Report (Mike Sakellaridis)**

### **Facilities**

Considering acquiring a generator to run the store during power outages. Except for the large refrigerator, we can operate the cash registers and some refrigerators with one portable generator when the power fails. The new compressor for the walk-in refrigerator is working as expected, and our electric bill dropped by \$300 in the first month. Concern for the bread/ice cream freezer, so we will begin shopping for our next upgrade.

### **Operations**

Holiday hours will remain: open until 7pm.

### **Marketing**

Working on plans for getting more people into the store for January.

### **Personnel**

Mike is working as weekend cook and revising kitchen procedures. Vacation around the holidays will involve several staff away at once.

## **Communications Report**

Mike reported that Arena Market will appear in the hotel guide delivered to almost all hotel rooms along the coast. We have begun to reach out to members to update their contact information, especially email addresses. Opportunity to begin planning for the 5-year anniversary of opening the co-op during May 2014.

## **Prepaid Store Credit**

Approximately \$16,000 received in prepaid store credit payments. Reaffirmed the need for \$20,000 in prepaid store credit for the lean months of winter.

## **Propane Buyers Club**

The co-op gets sign-up reports quarterly. The refinery price of propane has risen significantly in the past few months.

## **Conflict of Interest Policy**

As a corporation, the requirements for conflict of interest policies differ from tax-exempt non-profit corporations, which are scrutinized by the IRS. The board agreed to investigate further with the attorney who helped draft our incorporation as a cooperative corporation in California.

- acknowledge we have conflicts
- Dan and Patricia to prepare a draft

### **Membership Records**

Deferred.

### **Board Project List**

Deferred.

### **Liquor License Update**

Deferred.

## **NEW BUSINESS**

### **Accounts Receivable for Co-op Customers**

The board reviewed the change in policy to allow co-op members to owe the co-op for purchases. This change simplifies issues with our lack of processes to deal with suspended transactions for employees, emergency transactions when electronic payments are disrupted, and select other member arrangements. The board requested an update from Mike, the GM, with an expectation to draft a written policy.

### **Patronage Refunds**

The board considered enabling patronage refunds for distributing a potential net-income surplus to co-op members based on the amount of their purchases during the year (patronage at the co-op). No action was taken, pending further discussion.

### **Employee year-end recognition**

The board discussed and supported establishing a year-end bonus program for 2013 for employees, based on the improved financial performance to date.

### **Next Meeting**

Jan 9, 2013, 4-6pm, Huntley House, Point Arena, CA.

### **Adjournment at 6:15 PM**